

Telephone (206) 226-3700



Stores Inc.

7890 SOUTH 188th STREET
KENT, WASHINGTON 98031

December 14, 1972

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LEGAL DIVISION

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Washington State Liquor Control Board
General Administration Building
Olympia, Washington 98501

WASHINGTON STATE
LIQUOR CONTROL BOARD

Gentlemen:

We would again like to present our views as to why we favor abolishing the regulation requiring payment of cash or, in lieu thereof, having a sum of money on deposit with distributors to cover purchases of beer and wine.

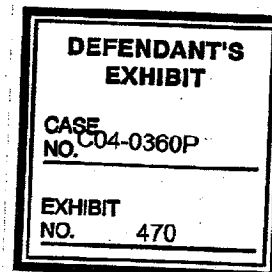
The retail grocery industry is being severely penalized by having to protect the interest of the distributors. Having a large sum of money on deposit with the distributors is costing the retailer thousands of dollars a year in interest. In the meantime, the distributor is collecting interest on this money, thus making a profit not only the product they sell us but also making a profit on the money we have "loaned" them. We can readily see why distributors are opposed to abolishing the cash deposit.

The retailer also has no protection from a distributor dissolving into bankruptcy and thus losing the entire deposit. Tradewell Stores, Inc. has lost \$7,800 in this manner.

The payment by cash by the retailer at the time of delivery also presents problems. Beer and wine are the only products for which we are forced to pay cash. We have lost thousands of dollars due to mishandling of cash by vendor deliverymen. This has at times been the result of dishonesty by vendor deliverymen alone and at other times in collusion with our own personnel. The only way to prevent this problem is by the elimination of the necessity of paying cash at the time of delivery.

We realize that the distributor will run some risk in granting credit to his accounts. This is normal in the business world. However, the retailer now faces an even greater risk than the distributor would face, as attested in a previous paragraph listing a loss of \$7,800. Until now,

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the retailer has carried the entire burden. We feel that it is time, especially when we are trying to run a profitable business while at the same time attempting to keep prices as low as possible to the consumer, that part of this burden be shifted to the distributor.

We feel that the grocery industry should be allowed to purchase beer and wine on a weekly or 10 day credit basis. This is the procedure that is used in conducting the balance of our business.

We trust that the Board, in their deliberations, will consider the facts we have presented.

Yours very truly,

E. A. Thompson

E. A. Thompson
President

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